Message Text

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E.O. 11652:N/A

TAGS: EAIR, IT

SUBJECT: CIVAIR- CAB PRESS RELEASE APPROVING IATA FARES

1 FOLLOWING IS TEXT OF CAB PRESS RELEASE ANNOUNCING ITS DECISION WITH RESPECT TO THE IATA FARE AGREEMENT TO BE EFFECTIVE APRIL 1, 1975 THROUGH MARCH 31, 1976:

"THE CIVIL AERONAUTICS BOARD TODAY APPROVED AN INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) AGREEMENT WHICH, AMONG OTHER THINGS, REINTRODUCES YOUTH FARES BETWEEN THE UNITED STATES AND EUROPE AT LEVELS GENERALLY REFLECTING THE COMBINATION OF NORMAL U.S.-CANADA FARES AND CANADAEUROPE YOUTH FARES. THE FARES PROVIDED FOR IN THE AGREEMENT WILL BE EFFECTIVE APRIL 1, 1975 THROUGH MARCH 31, 1976.

THE AGREEMENT GENERALLY HOLDS FIRST CLASS, ECONOMY CLASS, 14/21-DAY EXCURSION, YEAR ROUND GROUP INCLUSIVE TOUR FARES AND WINTER GROUP INCLUSIVE TOUR FARES TO LEVELS UNCLASSIFIED

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APPROVED BY THE BOARD LAST OCTOBER WITH CERTAIN LIMITED

EXCEPTIONS. THE FARES RESULTING FROM THE NEW AGREEMENT, HOWEVER, ARE GENERALLY HIGHER THAN THE COMPARABLE FARES APPLICABLE LAST SUMMER.

THE BOARD APPROVED THE U.S.-EUROPE YOUTH FARES BECAUSE OF THE COMPETITIVE SITUATION WHICH EXISTS IN RELATION TO CANADA WHERE YOUTH FARES TO EUROPE WILL BE AVAILABLE.

THE BOARD LIMITED TO ONE MONTH ITS APPROVAL OF NEW YORK-LONDON FARES (EXCEPT APEX FARES) AS THEY ARE USED TO CONSTRUCT THROUGH FARES TO POINTS IN FLORIDA; ALL TRANS-ATLANTIC FARES TO AND FROM NEW YORK AS THEY ARE USED TO CONSTRUCT THROUGH FARES TO AND FROM SEATTLE, AND AFFINITY GROUP FARES TO AND FROM SPAIN AND PORTUGAL. THE ONE-MONTH APPROVAL IS TO ALLOW APPROPRIATE NEW FARES TO BE WORKED OUT BECAUSE THE PRESENT FARES EXPIRE MARCH 31 AND, IN ANY CASE, ARE AT WINTER SEASON LEVELS.

THE BOARD INSTITUTED AN INVESTIGATION OF NORTH ATLANTIC AIR FARES AND INDICATED THAT IT WILL SHORTLY ISSUE A FURTHER ORDER ON THE SCOPE OF THAT INVESTIGATION.

MEMBER ROBERT D. TIMM CONCURRED IN THE BOARD'S ACTION BUT DISSENTED FROM ITS APPROVAL OF THE YOUTH FARE PROPOSAL. QUESTIONING THE LEGALITY OF THE YOUTH FARES, HE EXPRESSED THE BELIEF THAT THOSE FARES ARE DISCRIMINATORY AND, ALTHOUGH THERE CAN BE CASES WHERE DISCRIMINATION CAN BE JUSTIFIED ON THE BASIS OF COMPETITION, NO COMPELLING COMPETITIVE JUSTIFICATION EXISTS HERE. "END TEXT

2. FOR LISBON AND MADRID; IT SHOULD BE NOTED THAT BOARD HAS IN EFFECT REJECTED PROPOSED AFFINITY GROUP FARES TO AND FROM SPAIN AND PORTUGAL BECAUSE THIS FARE IS 100 DOLLARS BELOW COMPARABLE FARE NEW YORK-LONDON AND WOULD PERMIT ONE STOPOVER IN EACH DIRECTION WHILE NEW YORK-LONDON FARE PROHIBITS ANY STOPOVERS ON SUCH FARES. BOARD ACTION NOW REQUIRES CARRIERS TO DEVELOP NEW FARES FOR THIS CATEGORY DURING MONTH FOR WHICH LIMITED APPROVAL IS GRANTED. KISSINGER

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